

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6408

BILL NUMBER: SB 115

NOTE PREPARED: Feb 20, 2004

BILL AMENDED: Feb 19, 2004

SUBJECT: Arbitration in Family Law.

FIRST AUTHOR: Sen. Ford

FIRST SPONSOR: Rep. Summers

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill has the following provisions:

- A. It requires arbitration in family law arbitration cases to be irrevocable.
- B. It provides the procedures for family law arbitration cases.

Effective Date: July 1, 2004.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: This bill could reduce court time for courts in domestic relations cases. Judicial involvement could be reduced to entering an order to allow arbitration in keeping with the parties' written agreement and to enter judgment on the arbitrator's final decision.

Background Information: Alternative Dispute Resolution (ADR) allows parties in dispute to resolve differences outside of a courtroom setting. ADR can take two forms: mediation and arbitration. In mediation, a third party assists the parties in dispute in rendering a mutually acceptable agreement, subject to the approval of the court. In arbitration, a neutral third party hears facts and arguments and renders a binding decision. In either case, the hearings occur in a less formal setting and are generally less acrimonious than if the case was decided in a formal hearing.

Currently, only mediation may be used in domestic relations cases. This bill would permit divorcing parties to use arbitration in matters involving child support, custody, or parenting time.

The number of domestic relations cases filed and that have been referred to alternative dispute resolution for the past eight years are shown below:

Domestic Relations Cases in Indiana								
Calendar Year	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Filings	42,976	42,402	42,385	42,323	41,139	41,587	40,682	39,794
Referred to Mediation	445	585	881	952	1,372	1,386	1,349	896

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected: Trial courts with domestic relations jurisdiction.

Information Sources: *Indiana Judicial Report CY 2002*; Bruce Pennamped, Attorney at Law.

Fiscal Analyst: Mark Goodpaster, 317-232-9852.